

INTELLIFAX 17

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## INFORMATION REPORT

CD NO.

COUNTRY Korea

SUBJECT Trade Between North and South Korea Conducted by  
the Labor Party

PLACE ACQUIRED 25X1

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1. The operations office of the North Korean Labor Party endeavors to supply operating funds to its agent groups in South Korea partly by shipping all sorts of articles from North to South Korea for trade. These items are smuggled across the border by regular traders in the party employ. In mid-December 1949, the value of supplies waiting on the north side of the 38th Parallel for transfer to the south was estimated at six to ten million South Korean won.
2. Among the commodities of this interzonal trade, a large (unspecified) amount of carbide has been accumulated on the border in the vicinity of Yangmuni (127-14, 38-00) and Munpyongni (127-22, 39-14). Although regular interzonal smuggling of other articles has been going on, this material has not been moved. Border traders believe that the North Korean Labor Party intends to transfer the material to South Korea but has been unable to find a suitable person to handle the operational funds thus involved.

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